

STATE OF INDIANA)
) SS:
COUNTY OF PORTER)

IN THE PORTER SUPERIOR COURT
CAUSE NO. 64D02-0804-PL3332

STATE OF INDIANA,)
)
Plaintiff,)

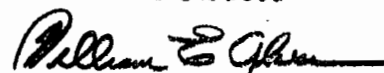
v.)

FRANK J. MONAHAN III and)
ERROL GERSTLER, individually,)
MORTGAGE CONSULTANTS GROUP)
AND CREDIT REPAIR, INC.,)
AMERICA'S CREDIT REPAIR, INC.,)
and LAKE COUNTY RECOVERY, Inc.,)

Defendants.)

FILED
IN OPEN COURT

JUL 02 2008


JUDGE PORTER SUPERIOR COURT

MOTION FOR DEFAULT JUDGMENT AGAINST
FRANK J. MONAHAN III, INDIVIDUALLY AND DOING BUSINESS AS
LAKE COUNTY RECOVERY, INC., ONLY

The Plaintiff, State of Indiana, by Attorney General Steve Carter and Deputy Attorney General Amber Degenhart, pursuant to Indiana Trial Rule 55 of the Indiana Rules of Trial Procedure, respectfully moves the Court to enter a default judgment against the Defendant, Frank J. Monahan III, individually and doing business as Lake County Recovery, Inc. ("Defendant"), only, and in support states:

1. The Plaintiff's Complaint for Injunction, Restitution, Costs, and Civil Penalties was filed on May 28, 2008.
2. The Defendant was served with a copy of the Complaint for Injunction, Restitution, Costs, and Civil Penalties on April 9, 2008.

3. More than twenty (20) days have passed since the Defendant was served with the Plaintiff's Complaint.

4. The Defendant has failed to file an answer, plead, or request an extension of time in which to answer the Plaintiff's Complaint.

5. The Defendant is not known to be an infant, incompetent, or in the military.

WHEREFORE, the Plaintiff, State of Indiana, requests that the Court enter a default judgment against the Defendant, Frank J. Monahan III, individually and doing business as Lake County Recovery, Inc., only, permanently enjoining him from the following:

- a. in the course of performing services as a credit services organization, failing to obtain a surety bond in the amount of Twenty-Five Thousand Dollars (\$25,000.00) prior to engaging in business in Indiana as a credit services organization;
- b. in the course of performing services as a credit services organization, charging or receiving money or other valuable consideration before the complete performance of services on behalf of a consumer, unless the Defendant has obtained a surety bond issued by a surety company admitted to do business in Indiana or established an irrevocable letter of credit under Indiana Code §24-5-15-8;
- c. in the course of performing services as a credit services organization, failing to provide the consumer with a written statement containing each of the provisions required by Indiana Code § 25-5-15-6 prior to executing a contract or receiving valuable consideration;
- d. in the course of performing services as a credit services organization, failing to include in contracts with consumers the statement required by Indiana Code § 24-

5-15-7(a)(1) and two (2) copies of the notice of cancellation form required by Indiana Code § 24-5-15-7(b);

- e. representing, expressly or by implication that a consumer transaction has sponsorship, approval, performance, characteristics, accessories, uses, or benefits it does not have which the Defendant knew or should reasonably have known it does not have;
- f. representing, expressly or by implication, that a consumer transaction involves or does not involve a warranty, a disclaimer of warranties, or other rights, remedies, or obligations, if the representation is false and if the Defendant knew or should reasonably have known that the representation was false; and
- g. representing, expressly or by implication, that the Defendant is able to deliver or complete the subject of the consumer transaction within a stated (or reasonable) period of time, when the Defendant knew or should reasonably have known he would not.

AND WHEREFORE, the Plaintiff, State of Indiana, further requests the Court enter judgment against the Defendant for the following relief:

- a. cancellation of the Defendant's unlawful contracts with consumers, including but not limited to: Shandar Bridges, Herb and Joan Friske, and Yong and Harland Lancaster, pursuant to Ind. Code § 24-5-0.5-4(d);
- b. costs, pursuant to Indiana Code § 24-5-0.5-4(c)(3), awarding the Office of the Attorney General its reasonable expenses incurred in the investigation and prosecution of this action;

- c. restitution payable to the Office of the Attorney General for the benefit of the following consumers:
 - i. Shandar Bridges, in the amount of Five Hundred Dollars (\$500.00);
 - ii. Herb and Joan Friske, in the amount of One Hundred Five Thousand Five Hundred Dollars (\$105,500); and
 - ii. Yong Lancaster, in the amount of Fifteen Thousand Dollars (\$15,000.00).
- d. on Count III of the Plaintiff's complaint, civil penalties pursuant to Indiana Code § 24-5-0.5-4(g) for the defendants' knowing violations of the Deceptive Consumer Sales Act, in the amount of Five Thousand Dollars (\$5,000.00) per violation, payable to the State of Indiana;
- e. on Count III of the Plaintiff's Complaint, civil penalties pursuant to Indiana Code § 24-5-0.5-8 for the Defendant's intentional violations of the Deceptive Consumer Sales Act, in the amount of Five Hundred Dollars (\$500.00) per violation, payable to the State of Indiana; and
- f. all other just and proper relief.

Respectfully submitted,

STEVE CARTER
Attorney General of Indiana

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